

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 130 Section 130.2505 Qualifying Transactions, Non-transferability of Permit</b>
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**TITLE 86: REVENUE**

**PART 130  
RETAILERS' OCCUPATION TAX**

**Section 130.2505 Qualifying Transactions, Non-transferability of Permit**

- a) The Direct Payment Program shall be limited to taxes paid under the Retailers' Occupation Tax Act, the Use Tax Act, and any local occupation tax acts administered by the Department that would be incurred on a retail sale for which a Direct Pay Permit was provided. Any transaction subject to the Service Occupation Tax Act or Service Use Tax Act does not qualify under the direct pay provisions.
- b) Permit holders who voluntarily assume the liability for Retailers' Occupation Tax, Use Tax, and any local occupation taxes administered by the Department incurred on the sales of qualifying tangible personal property for which they have provided a Direct Pay Permit are subject to the same rights, remedies, privileges, immunities, powers, and duties, and are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms and employ the same modes of procedure as are prescribed for retailers under the Retailers' Occupation Tax Act. For example, if a permit holder fails to timely file the proper return or make the proper payment of tax, that permit holder is not entitled to the 1.75% vendor discount applicable to the sales reported on that return and is subject to penalties and interest under the Uniform Penalty and Interest Act [35 ILCS 735].
- c) Qualifying Tangible Personal Property. Tangible personal property means tangible personal property that, when purchased at retail, would be subject to tax under the Retailers' Occupation Tax, Use Tax, and any local occupation taxes administered by the Department. Qualifying tangible personal property does not include food or beverages, or tangible personal property required to be titled or registered with an agency of federal or state government.
- d) Non-transferability of Permit. Direct Pay Permits cannot be assigned or transferred. Only the person to whom the Direct Pay Permit was issued by the Department may use that permit as described in this Subpart. For example, a construction contractor cannot use the Direct Pay Permit of the person contracting for his services in making purchases pursuant to the contract. When restructuring a business, the permit is not transferable to the new business. A new permit must be issued. See Section 130.2515(c) of this Subpart regarding application for permit.

(Source: Added at 26 Ill. Reg. 5946, effective April 15, 2002)